

## **ABSTRACT**

**[0062]** A system and method for detecting supplier instability is disclosed.

Warning indicators such as annual warning indicators and early warning indicators are assigned values and analyzed to determine the stability of a supplier. Annual and early warning indicator values are based on supplier data related to profit, financial, quality, cost, delivery, development, management, and sensing data. As a result of the analysis of the annual warning and early warning indicator values, each supplier is assigned a supplier stability measure or level. Suppliers that are determined by the company to be unstable are guided by the company through a recovery process to restore stability. The present invention allows a company to maintain a smooth and stable supply of products, parts, or materials to its business operations.